

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Attorney General's Seventh Set of Information Requests

Request No. AG-7-24 (Gas)

Please provide annual expenses for the past 10 years for each category of the Company's "local gas costs" (costs included in the Production Base Rate Component). Provide copies of the relevant reference pages from the Company's Annual Returns to the Department. Annotate the reference pages if any line item cost and/or expense is allocated to show the basis for the allocation.

Response:

FG&E's "local gas costs" included in the Production Base Rate Component are comprised of three parts: Production-Related Overhead (PRO), Dispatch, Acquisition, and FERC Proceedings (DAFP), and Liquefied Propane and Liquefied Natural Gas (LPLNG).

Prior to December 1998, PRO, DAFP and LPLNG costs were recovered on a bundled basis through FG&E's base distribution rates. In December 1998, FG&E began recovering these costs as separate, unbundled rate components. These rates were developed as part of FG&E's gas rate case in DTE 98-51. (The LPLNG rate was subsequently revised in FG&E's March 17, 1999 Form II CGAC rate filing.)

The amounts currently being allowed are based on a test year analysis for DTE 98-51 and as such cannot be specifically identified in FG&E's Annual Returns to the Department. FG&E has not performed studies to identify these costs for other years.

Annual costs, based on a test-year analysis of 1997 costs, recovered through the CGAC from 1998 through 2001 are presented in the table below:

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
LPLNG	94,636	742,583	612,028	609,478
PRO	30,822	233,754	226,579	225,635
DAFP	4,633	35,078	35,096	34,950

Person Responsible: Karen M. Asbury